



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

September 2, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**SEVEN-YEAR LEASE – SHERIFF DEPARTMENT
26340 CITRUS STREET, VALENCIA
(FIFTH DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for a seven-year lease for 9,500 rentable square feet of office space to relieve overcrowded conditions at the existing Santa Clarita Valley Sheriff's Station (Station). The office space will be used by the Sheriff's Department (Sheriff) Santa Clarita Valley Sheriff's Detective Bureau.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Consider the Negative Declaration (ND) together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the ND reflects the independent judgment of the County of Los Angeles (County) to approve the ND, find that the project will have no adverse effect on wildlife resources, and authorize the Chief Executive Office (CEO) to complete and file a Certificate of Fee Exemption for the project.
2. Approve and instruct the Chair to sign the seven-year lease with 26330 Citrus Street, LLC, (Lessor) for the occupancy of 9,500 rentable square feet of office space and 38 parking spaces for the Sheriff at 26340 Citrus Street, Valencia, for a maximum first year cost of \$538,789. The rental costs are 100 percent net County cost.

"To Enrich Lives Through Effective And Caring Service"

*Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only*

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

3. Authorize the Internal Services Department (ISD), in conjunction with the Sheriff, at the direction of the CEO to design, acquire and install telephone, data, and low voltage systems at a cost not to exceed \$207,000.
4. Authorize the CEO and Sheriff to implement the project. The lease will be effective upon approval by your Board, but the term and rent will commence upon completion of the improvements by the Lessor and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The lease proposed herein will provide office space near the existing Station to house the Detective Bureau and the Community Interaction Team (CIT) as well as relieve overcrowded conditions at the existing Station.

Sheriff personnel assigned to the Detective Bureau conduct investigative work related to assault, burglary and juvenile crimes as well as ongoing administrative functions. The primary function of the CIT is to support the Bureau from which they get their directives including specialized criminal investigations, undercover operations, and search warrants. CIT is also responsible for planning and maintaining the Emergency Preparedness Plans and Homeland Security grants for the City of Santa Clarita (City). The office space is intended to house 46 employees.

Since the existing Station was constructed in 1972 staffing has more than doubled due to the growth and the extensive development of the Santa Clarita Valley area. Since the year 2000, the population of the unincorporated area has increased from 49,245 to approximately 80,000 residents and is expected to reach 142,700 by the year 2020. The City, which is also policed by the Station, has approximately 170,000 residents.

Although the Station's personnel have increased in an attempt to keep up with the growing needs of the community, the Station's office, storage and locker space have not.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide service excellence (Goal 1) and organizational effectiveness ensuring that service delivery systems are efficient, effective, and goal oriented (Goal 3). It also calls for an increase in the safety and security of all residents in Los Angeles County through the comprehensive integration of public safety information systems in coordination with local, County, State and Federal agencies (Goal 8). In this case, the County is providing relief from overcrowded and inefficient conditions at the existing Station while also providing the services described for a growing community, as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease will provide the Sheriff the use of 9,500 rentable square feet of office space and 38 parking spaces at an initial monthly full service base rent of \$28,500 or \$342,000 annually.

PROPOSED LEASE	26340 CITRUS STREET, VALENCIA
Area	9,500 rentable square feet
Term	Seven years, commencing upon Board approval and completion of the Tenant Improvements (TI's)
Annual Base Rent	\$ 342,000 ⁽¹⁾ (\$3/\$36 per sq.ft. per month/annually)
Base TI allowance	\$ 95,000 (\$10 per sq.ft. included in Base Rent)
Additional TI allowance	\$ 760,000 ⁽²⁾ (\$80 per sq.ft.)
Change Order allowance	\$ 30,000 ⁽²⁾
Annual TI Reimbursement	\$ 196,789 ⁽²⁾ (\$1.73/\$20.71 per sq. ft. per month/annually)
Maximum Annual Rent	\$ 538,789 ⁽³⁾ (\$4.73/\$56.71 per sq.ft. per month/annually)
Cancellation	After five years
Parking (included in Rent)	38 parking spaces
Option to Renew	Five-year option
Rental Adjustment	3 percent fixed step

- (1) Excludes utilities and janitorial which per BOMA costs an additional \$3.87sf annually, or \$36,765.
- (2) \$790,000 represents the maximum amount of reimbursable TI and change order funds available for this project. If this entire amount is expended and amortized over 60 months at the proposed rate of 9 percent, the annual TI reimbursement amount will be \$196,789 (\$1.73/\$20.71 per sq.ft. per month/annually).
- (3) Includes annual base rent and annual reimbursement of Additional TI and change order allowances.

Sufficient funding for the rental costs of the proposed lease is included in the 2008-09 Rent Expense budget and will be billed back to the department. The Sheriff has sufficient funding in its 2008-09 operating budget to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease will serve as office space for the Sheriff and will provide 9,500 rentable square feet of office space and 38 parking spaces. The lease contains the following provisions.

- A seven-year term commencing after completion of the improvements by the Lessor and acceptance by the County.
- A modified gross basis whereby the Lessor is responsible for the operational and maintenance costs associated with the premises and the County is responsible for utilities and janitorial expenses.
- A TI allowance of \$95,000 or \$10 per square foot, included in the base rental rate for improvement of the premises.
- A reimbursable additional TI allowance of \$760,000 or \$80 per square foot, and \$30,000 change order allowance, which may be paid in a lump sum or amortized over a five-year term at an annual interest rate of 9 percent.
- A cancellation provision allowing the County to cancel at or anytime after five years of the term upon 180 days prior written notice.
- The furniture will be purchased through the lease as part of the TI allowance via a County Agreement Vendor.
- One five-year option to extend the lease with 180 days prior written notice.
- Annual fixed step rental adjustments of 3 percent per annum through the term of the lease.

CEO Real Estate staff conducted a survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could suitably accommodate this requirement. Based upon said survey, staff has established that the base rental range for similar space is between \$23 and \$42 per square foot per year on a modified gross basis, i.e., minus utilities and janitorial expenses. Although the rental rate is in the upper range, the proposed facility provides the most viable space to house the Sheriff program within the service area. Thus, the base annual rent of \$36 modified gross including parking for the proposed lease represents a rate within the range of market for the area.

Attachment B shows County-owned or leased facilities in the proximity of the service area and there are no suitable County-owned or leased facilities available for the program.

The subject building was constructed in 2001 and does not require a structural report from the Department of Public Works. Construction of the TI's will be completed in compliance with the Americans with Disabilities Act (ADA) and building codes. Additionally, the landlord will ensure ADA path of travel requirements are met.

The City has been formally advised of the proposed lease pursuant to Government Code 25351 and 65402 notification letters that were forwarded to the City on March 17, 2008. This office received a written response from the City indicating the proposed lease is acceptable and consistent with its General Plan.

A child care center is not feasible for the department in the proposed lease premises.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CEO has made an initial study of environmental factors and has concluded that this project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, the ND has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code Section 15072. Copies of the completed Study, the resulting ND, and the Notice of Preparation of ND as posted are attached. No comments to the ND were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk. The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

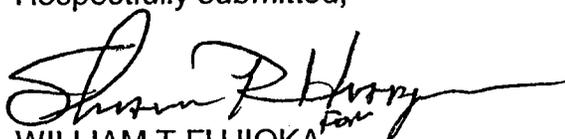
The proposed lease will provide the necessary office space for this County requirement and the Sheriff concurs with the proposed lease recommendation.

The Honorable Board of Supervisors
September 2, 2008
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CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return four originals of the executed lease, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,


WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DL:JSE
CEM:NCH:hd

Attachments (5)

c: County Counsel
Auditor-Controller
Sheriff Department
Internal Services Department

**SHERIFF DEPARTMENT
26340 CITRUS STREET, VALENCIA
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ² Sheriff office space adjacent to existing Santa Clarita Valley Sheriff Station.		X	
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Lease represents approximately 206 square feet per person.	X		
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program?	X		
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available? Proposed lease based on current overcrowded conditions at existing Station.		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment B?	X		
G	Was build-to-suit or capital project considered? Space requirement, cost, and time constraints does not allow for these types of projects.		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			X
	1. ___ The program clientele requires a "stand alone" facility.			
	2. ___ No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located.			
E	Is lease a full service lease? ² County pays for utilities and janitorial costs.		X	
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval? Built in 2001.			X
	¹ As approved by the Board of Supervisors 11/17/98			
	² If not, why not?			

**SHERIFF DEPARTMENT
SPACE SEARCH FIVE-MILE RADIUS
FROM 26340 CITRUS STREET, VALENCIA**

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
6121	ANIMAL CONTROL #6-OFFICE	31044 N CHARLEY CANYON RD, CASTAIC 91384	1962	857	OWNED	NONE
3315	PCHS DT CTR-COUNSELING OFFICE	29310 THE OLD RD, CASTAIC 91384	480	414	OWNED	NONE
0478	PCHS DT CTR-FIELD OFFICE / STORAGE BUILDING	29310 THE OLD RD, CASTAIC 91384	1870	1637	OWNED	NONE
1042	PCHS DT CTR-FOREMAN'S OFFICE	29310 THE OLD RD, CASTAIC 91384	174	104	OWNED	NONE
0515	PCHS DT CTR-GUARD HOUSE OFFICE	29310 THE OLD RD, CASTAIC 91384	240	221	OWNED	NONE
0465	PCHS DT CTR-HONOR RANCHO ADMINISTRATION BLDG	29310 THE OLD RD, CASTAIC 91384	2171	1517	OWNED	NONE
1935	PCHS DT CTR-LIBRARY	29310 THE OLD RD, CASTAIC 91384	4477	3861	OWNED	NONE
2570	PCHS DT CTR-MASONRY OFFICE	29310 THE OLD RD, CASTAIC 91384	288	246	OWNED	NONE
4792	PCHS DT CTR-MEDIUM SECURITY ADMINISTRATION	29310 THE OLD RD, CASTAIC 91384	25726	16719	OWNED	NONE
1036	PCHS DT CTR-MOTOR POOL OFFICE	29310 THE OLD RD, CASTAIC 91384	397	262	OWNED	NONE
4504	PCHS DT CTR-NURSERY OFFICE	29310 THE OLD RD, CASTAIC 91384	1629	1230	OWNED	NONE
X127	PCHS DT CTR-RANGE MASTER'S OFFICE	29310 THE OLD RD, CASTAIC 91384	665	362	OWNED	NONE
1936	PCHS DT CTR-REHABILITATION OFFICE	29310 THE OLD RD, CASTAIC 91384	4477	3823	OWNED	NONE
2444	PCHS DT CTR-TRUCK SCALE BUILDING	29310 THE OLD RD, CASTAIC 91384	54	40	OWNED	NONE
3733	PCHS DT CTR-WASTE DISPOSAL PLANT OFFICE	29310 THE OLD RD, CASTAIC 91384	760	266	OWNED	NONE
A524	DCFS-REGION VIII SANTA CLARITA SERVICES	28490 AVENUE STANFORD, SANTA CLARITA 91355	32743	29469	LEASED	NONE
A920	BOARD OF SUP-5TH DISTRICT FIELD OFFICE	23920 W VALENCIA BLVD, SANTA CLARITA 91355	1224	1026	LEASED	NONE
5541	PUBLIC LIBRARY-VALENCIA LIBRARY	23743 W VALENCIA BLVD, SANTA CLARITA 91355	24144	19245	OWNED	NONE
5542	SANTA CLARITA ADMINISTRATIVE CENTER BUILDING	23757 W VALENCIA BLVD, SANTA CLARITA 91355	22767	20427	OWNED	NONE
5543	SANTA CLARITA COURTHOUSE	23747 W VALENCIA BLVD, SANTA CLARITA 91355	32950	17979	OWNED	NONE
F487	PW FLOOD-SANTA CLARA MAINTENANCE CREW OFFICE	21014 GOLDEN TRIANGLE RD, SANTA CLARITA 91351	125	112	OWNED	NONE
A341	DPSS-SANTA CLARITA BRANCH / LANCASTER AP DIST	27233 CAMP PLENTY RD, SANTA CLARITA 91351	8400	5610	LEASED	NONE
D143	DCSS-SANTA CLARITA VALLEY SERVICE CENTER	24271 SAN FERNANDO RD, NEWHALL 91321	5700	4560	LEASED	NONE
4490	HART-PARK HEADQUARTERS BUILDING	24151 NEWHALL AVE, SANTA CLARITA 91321	1646	897	OWNED	NONE
4284	HART-PARK OFFICE	24151 NEWHALL AVE, SANTA CLARITA 91321	662	464	OWNED	NONE
X151	HART-WEED CONTROL OFFICE	24151 NEWHALL AVE, SANTA CLARITA 91321	608	540	OWNED	NONE
4085	PUBLIC LIBRARY-NEWHALL LIBRARY	22704 W 9TH ST, SANTA CLARITA 91321	4842	3432	OWNED	NONE
T592	SANTA CLARITA SENIOR CENTER-ANNEX	22900 MARKET ST, SANTA CLARITA 91321	1440	1296	OWNED	NONE
T593	SANTA CLARITA SENIOR CENTER-OFFICES	22900 MARKET ST, SANTA CLARITA 91321	1440	1296	PERMIT	NONE
X298	SANTA CLARITA VALLEY SENIOR CENTER	22900 MARKET ST, SANTA CLARITA 91321	9240	7920	OWNED	NONE

NEGATIVE DECLARATION

Department Name: Sheriff
Project: Offices for the Sheriff's Detective Bureau

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project

The leasing of existing office space in an existing commercial building to be used by the County of Los Angeles, Sheriff Department as an administrative office/sub-station.

2. a. Location of Project (plot plan attached)

26340 Citrus Drive
Santa Clarita, Ca 91355

b. Name of Project Proponent

County of Los Angeles
Chief Executive Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated October 18, 2006 which constitutes the Initial Study of this project.

4. Initial Study

An Initial Study leading to this Negative Declaration has been prepared by the Chief Executive Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date
July 9, 2008

Real Property Agent
Nevin Harrison

Telephone
(213) 974-4159

08 0030858

- C. The project will not have a substantial demonstrable negative aesthetic effect on the site. The existing facility will be continued to be maintained as part of the lease arrangement.
- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic. Nor will it affect the carrying capacity of the present street system. This is a government use of private property for legal services purposes. The County's use is in conformance with uses approved by the County.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.
- L. The proposed developed project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project is will not expend a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No significant increased energy consumption is anticipated by the County's use of the premises as compared to previous uses.
- P. The project will not disrupt or divide the physical arrangement of

established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.

- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.
- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

- A. None Required.

VI. Initial Study Preparation

This study was prepared by Nevin Harrison of the Los Angeles County Chief Executive Office, Real Estate Division. This study was completed on July 9, 2008.

08 0030858

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

THREE-YEAR LEASE

NEGATIVE DECLARATION

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to lease facilities at 26340 Citrus Street, Santa Clarita, which will be used by the Sheriff for administrative offices for the Sheriff's Detective Bureau currently located at the existing Santa Clarita Sheriff station located at 23740 Magic Mountain Parkway. The facility, located in the Fifth Supervisorial District approximately six miles from the Los Angeles Civic Center, includes approximately 9,500 square feet of commercial office space. The Landlord has no expansion plans beyond the scope of this project.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

08 0030858

NEGATIVE DECLARATION

Department Name: Health Services, Public Health, Children and Family Services, Public Social Services and Mental Health
Project: Health Clinic

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project

The leasing of existing office space in an existing office building to be used by the County of Los Angeles, Department's of Health Services (DHS), Public Health (DPH), Children and Family Services (DCFS), Public Social Services (DPSS) and Mental Health (DMH).

2. a. Location of Project
512-522 South San Pedro Street
Los Angeles, CA 90013

FILED

JUL 09 2008

b. Name of Project Proponent
County of Los Angeles
Chief Executive Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

DEAN C. LOGAN, ACTING CO. CLERK
Deputy Yates
T YATES DEPUTY

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated July 9, 2008 which constitutes the Initial Study of this project.

4. Initial Study

An Initial Study leading to this Negative Declaration has been prepared by the Chief Executive Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date
July 9, 2008

Real Property Agent
Thomas Shepos

Telephone
(213) 974-4363

THIS NOTICE WAS POSTED
ON JUL 09 2008
UNTIL AUG 08 2008
REGISTRAR-RECORDER/COUNTY CLERK

08 0030859

DATE POSTED – July 10, 2008

NOTICE OF PREPARATION OF NEGATIVE DECLARATION

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles
Chief Executive Office
2. Address/Phone No. - 222 South Hill Street, 3rd Floor
Los Angeles, California 90012

<u>Agent</u>	<u>Telephone</u>
Thomas Shepos	(213) 974-4364
3. Date Information Form Submitted – July 9, 2008
4. Agency Requiring Information Form - Los Angeles County
Chief Executive Office
Real Estate Division
5. Name of Proposal, if Applicable -
6. Address of Facility Involved – 512-522 South San Pedro Street
Los Angeles, CA 90013

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Principal Real Property Agent indicated under 2 above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con Carlos Marquez, para asistencia en obtener una traduccion para el numero (213) 974-4163.

08 0030859

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE**

FIFTEEN-YEAR LEASE

NEGATIVE DECLARATION

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to lease facilities at 512-522 South San Pedro Street, Los Angeles, California, which will be used by the Departments of Health Services (DHS), Public Health (DPH), Children and Family Services (DCFS), Public Social Services (DPSS) and Mental Health (DMH). The Departments will be using the space to offer health and counseling services to clients in the "Skid Row" area of downtown Los Angeles. The facility, located in the Second Supervisorial District is less than a mile from the Los Angeles Civic Center. The Departments shall have use of 20,628 square feet of clinic/office space and 75 off-street parking spaces in a separate surface parking area for combined staff in addition to available parking for visitors. The Landlord has no expansion plans beyond the scope of this project.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT**

DEPARTMENT: Sheriff, as Tenant

LANDLORD: 26330 Citrus Street, LLC, a California Limited Liability Company

26340 Citrus Street, Valencia, CA

78673

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COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

THIS LEASE is entered into as of the 2nd day of September 2008 between 26330 Citrus Street, LLC, a California Limited Liability Company ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section, unless otherwise specifically modified by provisions of this Lease.

1.1 Defined Terms Relating to the Lease:

- (a) Landlord's Address for Notice: 26330 Citrus Street, LLC
c/o FGS Property Management
16430 Ventura Boulevard, Suite 202
Encino, CA 91436
- (b) Tenant's Address for Notice: Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012
- With a copy to:
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 217-4971
- (c) Premises: Approximately 9,500 rentable square feet in the Project (defined below) as shown on Exhibit A attached hereto.
- (d) Project: The Project located at 26340 and 26338 Citrus Street, Valencia which is located upon the real property described more particularly in Exhibit B attached hereto (the "Property");
- (e) Term: Seven years commencing upon Tenant's

76673

Acceptance of the Premises as defined in Section 4(a) (the "Commencement Date"); and terminating at midnight on the day before the seventh anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.

- (f) Projected Commencement Date: 60 days after issuance of permits for the construction of the Tenant Improvements defined in the Work Letter Agreement executed concurrently herein.
- (g) Commencement Date: See Section 4(a)
- (h) Irrevocable Offer Expiration Date: July 31, 2008
- (i) Basic Rent: \$28,500 per month (which is based upon a rental rate of \$3.00 per rentable square foot (adjustable only as provided in Section 2(b) hereof.)
- (j) Early Termination Notice Date: At or after the 60th month of the Term.
- (k) Rentable Square Feet in the Premises: Approximately 9,500
- (l) Use: General office use for County Offices, including offices for the Sheriff but no other uses unless approved by Landlord and Tenant acknowledges that the Premises are in a Project so any other use must be compatible with the other uses in the Project.
- (m) Initial Departmental Use: Sheriff
- (n) Parking Spaces: 38

(o) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.

(p) Asbestos Report: Not Applicable.

1.2 Defined Terms Relating to Landlord's Work Letter:

(a) Base Tenant Improvement Allowance: \$95,000

(b) Additional Tenant Improvement Allowance: \$760,000

(c) Maximum Change Order Allowance: \$30,000

(d) Additional Tenant Improvement and Change Order Amortization Rate: 9% per annum

(e) Basic Rent Reduction: Not Applicable

(f) Tenant's Work Letter Representative: Nevin Harrison and/or assigned staff person of the Chief Executive Office-Real Estate Division to active on behalf of the Tenant.

(g) Landlord's Work Letter Representative: An assigned staff person to act on behalf of the Landlord.

(h) Landlord's Address for Work Letter Notice: See Section 1.1(a)

(i) Tenant's Address for Workletter Notice: Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 217-4971

1.3 Exhibits to Lease:

Exhibit A - Floor Plan of Premises
Exhibit B- Legal Description of Property
Exhibit C - Commencement Date
Memorandum and Confirmation of Lease
Terms
Exhibit D - HVAC Standards
Exhibit E - Cleaning and Maintenance
Schedule

1.4 Landlord's Work Letter:
(executed concurrently with this Lease and
made a part hereof by this reference):

Landlord's Work Letter
Addendum A: Base Project Improvements
Addendum B: Tenant Improvements

1.5 Supplemental Lease
Documents: (delivered to
Landlord and made a part hereof by this
reference):

Document I: Subordination, Non-disturbance
and Attornment Agreement
Document II: Tenant Estoppel Certificate
Document III: Community Business
Enterprises Form
Document IV: Memorandum of Lease
Document V: Request for Notice

2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Tenant acknowledges that it has been given the right prior to approval of this Lease by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") and execution of this Lease by the parties to field-measure and verify the exact footage of the Premises Project. Notwithstanding anything contained in this Lease to the contrary, the parties hereto agree and acknowledge that any statement of size, square footage, or dimension set forth in this Lease or lease proposals that may have been used in calculating the rents is a reasonable approximation. All rents based thereon are not subject to revision or modification whether or not the actual size of the Premises is greater or less than stated herein.

3. PROJECT AND COMMON AREAS

The "Project" consists of the land, buildings and improvements described on the Site Plan, attached hereto as Exhibit "A-1" and incorporated herein by reference, near the intersection of Magic Mountain Parkway and Citrus Drive constructed on the land situated in the City of Valencia, County of Los Angeles, State of California, as the same may be enlarged or diminished from time to time and shall include only that portion that is owned by Landlord, as indicated on Exhibit A-1 hereto. The Site Plan sets forth the general layout of the Project, but does not constitute a warranty, representation or agreement on the part of the Landlord that the layout or tenant mix is or will remain as indicated on the Site Plan. Tenant specifically acknowledges that Landlord has neither made nor hereby makes any representations or warranties that the Project is or shall be maintained as indicated thereon or that any tenant occupant designated by name or nature of business is or shall be a tenant in the Project at any time.

Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Project: Common Areas means all areas, facilities, space, equipment, and signs made available by Landlord at any time for the common and joint use and benefit of Landlord, Tenant, and other tenants and occupants of the Project, including their respective employees, agents, customers, and invitees. "Common Areas" includes but is not limited to the following, to the extent provided by Landlord: parking areas, driveways, access roads, landscaped areas, truck serviceways, loading facilities, pedestrian malls, stairs, ramps, sidewalks, outside building walls, public restrooms, elevators, escalators, and marquis. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

All Common Areas of the Project are subject to the exclusive control of Landlord. Landlord shall construct, maintain, operate, illuminate, and manage the Common Areas in a clean, safe and first-class manner. Landlord reserves the right from time to time during the term of this Lease to (1) increase, reduce or change the number, type, height, layout, size, location, and use of any facilities in the Common Areas; (2) construct new improvements, buildings, or facilities; or (3) remove existing improvements, buildings, or facilities in the Common Areas or any part thereof, including the right to change the parking plan, parking ratios and Common Areas, (4) to change the tenant mix and uses of the Project, and (5) to increase, reduce, or change the size, height, or layout of the Project, provided the change, construction, or removal does not permanently and unreasonably interfere with Tenant's ingress and egress to the Premises. Landlord may employ and discharge all personnel hired in connection with the Common Areas; police, and maintain security services for, the Common Areas; use and allow others to use the Common Areas for any purpose; regulate parking by Tenants and other occupants (including their respective employees) and by customers of the Project; establish, modify, and enforce non-discriminatory rules and regulations for the Common Areas; and close the Common Areas when necessary to make repairs, changes, or alterations to the Common Areas or to prevent the acquisition of public rights in the Common Areas. In the event of a temporary closure of the Common Areas or the alteration, rearrangement, or other change in the facilities of the Common Areas (1) Landlord shall

not be liable to Tenant for any resulting loss or damage; (2) Tenant shall receive an abatement of rent and all other charges due under this Lease for closure of the Common Areas which exceeds 72 hours in duration and which prohibits ingress and egress to Tenant's Premises, provided and to the extent that Tenant is unable to use the Premises during such period; and (3) the closure, alteration, rearrangement, or other change shall not constitute an actual or constructive eviction of Tenant or other grounds for Tenant to terminate this Lease.

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term

The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall begin upon Completion of the Premises. The term "Completion of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete, and Landlord has provided Tenant an opportunity to inspect the Premises. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises, but shall not include work required to install the modular furniture systems or the telecommunications systems; (2) Landlord has obtained a certificate of occupancy for the Premises, or a temporary certificate of occupancy for the Premises and (3) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease; Landlord agrees that it will finance the costs of the telecommunication systems and modular furniture systems as part of the Additional Tenant Improvement Allowance, but Tenant agrees that it shall be responsible for the selection and installation of such systems. The Commencement Date shall not be delayed due to any delay by Tenant in the selection, purchase or installation of the modular furniture systems or the telecommunications systems.

(b) Termination Right

If the Commencement Date has not occurred within 90 days from the Projected Commencement Date, subject to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder, provided, however, if Landlord is able to Substantially Complete the Tenant Improvements and deliver possession of the Premises to Tenant within thirty (30) days after such notice to terminate under this provision, then the Lease shall not terminate and shall be in full force and effect.

(c) Early Possession

Landlord shall allow Tenant and its vendors access to the Premises prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises and to inspect the Premises ("Early Access"). Such Early Access shall be subject to all provisions hereof but shall not advance the Commencement Date or Termination Date, and Tenant shall not pay Basic Rent for such Early Access period. Tenant shall exercise its Early Access rights at a time and in a manner that will not unreasonably interfere with Landlord's construction of the Tenant Improvements. Notwithstanding the foregoing, such Early Access shall be at the reasonable discretion of Landlord and with the prior approval of Landlord to ensure that all Building rules are followed including the rules related to vendor's submission of insurance certificates. Such prior access may be temporarily denied if Landlord reasonably determines that it may impede the construction of the Tenant Improvements and safety reasons. There shall be no adjustment in the Commencement Date or any compensation given if Landlord reasonably temporarily prohibits early access.

(d) Early Termination

Provided Tenant is not in material default beyond applicable cure periods, Tenant shall have the right to terminate this Lease at any time after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than six months prior written notice executed by the Chief Executive Officer of Tenant ("Notice to Terminate") and the Notice to Terminate shall specify a Termination Date that is not less than six months after service of the Notice to Terminate. In the event of such termination, Tenant shall pay Landlord a termination fee equal to the then unpaid amortized amount of the brokerage fees paid for this Lease ("Unpaid Amortized Lease Costs") and shall not include any amounts for the Base Tenant Improvement Allowance. In addition, Tenant shall also pay all of the unpaid Additional Tenant Improvement Allowance and Change Orders. The Unpaid Amortized Lease Costs and the unpaid Additional Tenant Improvement Allowance and Change Orders shall collectively be called the "Termination Fee". The Unpaid Amortized Lease Costs are amortized over the Term of the Lease using the straight line method at 9% per annum and shall be computed for that portion of the term from the Early Termination Date until the originally scheduled expiration date of the Term. The Termination Fee must be paid upon the Termination Date. Upon written request from Tenant, Landlord shall provide Tenant with the calculation of the Termination Fee promptly. If the Notice to Terminate is not timely served or if the Termination Fee is not paid as provided, the Notice to Terminate is null and void and the Lease term shall not terminate on the Termination Date specified in the Notice to Terminate.

5. RENT

Tenant shall pay Landlord the Basic Rent stated in Section 1 during the Term hereof prior to the first day of each month of the Term, in advance, however if Landlord has not filed the annual claim form with the County, then the payment shall be made within 15 days after a claim therefor for each such month of the applicable year has been

filed by Landlord with the Auditor of the County of Los Angeles (the "County"). Basic Rent for any partial month shall be prorated in proportion to the number of days in such month based on a 30 day month. Basic rent for the Term of the Lease is as follows:

<u>Year</u>	<u>Rate/Square foot</u>	<u>Monthly</u>
1	\$3.00	\$28,500.00
2	\$3.09	\$29,355.00
3	\$3.18	\$30,235.65
4	\$3.28	\$31,142.72
5	\$3.38	\$32,077.00
6	\$3.48	\$33,039.31
7	\$3.58	\$34,030.49

6. USES

The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER.

If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease with the Landlord's implied or express consent, such occupancy shall be a tenancy which is terminable only upon 30 days written notice from Landlord or 60 days written notice from the Chief Executive Officer of Tenant at the last monthly Basic Rent payable under this Lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION.

(a) Damage

Within fourteen (14) days of its occurrence, Tenant shall notify Landlord of any damage or accident occurring on the Premises. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially

inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Tenant shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within forty five (45) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material default hereunder. Basic Rent shall abate based upon the percentage of the Premises rendered unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Termination Rights

In the event any portion of the Premises is damaged by fire or any other cause rendering more than 50% of the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days after the permit for the repair is issued for any reason, then Landlord or Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenable but only to the extent the Premises is unusable by Tenant based upon the percentage of the Premises rendered unusable. In the event that Tenant and Landlord do not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Project or Premises.

(c) Damage In Last Year

Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is 30 days after such written notice of termination.

(d) Default By Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion after thirty (30) days written notice, Tenant may (a) declare a default hereunder or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Basic Rent next due as a charge against the Landlord. It is the intent of the parties that Landlord shall be considered to be pursuing the repair if Landlord has

retained an architect to prepare plans, or has commenced obtaining bids from contractors or has submitted applications for any permits required for such restoration work.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations

Landlord represents to Tenant that upon the Commencement Date (i) the Premises, including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Premises and similar Premises service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonably good working order and condition; (ii) the Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Project and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined); and (iv) Landlord has not received any notice from any governmental agency that the Project or the Premises are in violation of any law or regulation. Landlord represents that the Premises does not contain asbestos-containing materials. .

(b) Landlord Obligations

Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Project, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, and concealed electrical systems; (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building; (iii) the Common Areas; and (iv) exterior windows of the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to: (1) interior partitions; (2) doors; (3) the interior side of demising walls (Landlord shall not be required to repaint); (4) signage, and (5) the HVAC system serving the Premises. Landlord's obligation for repairs under this Paragraph extends only to damage not caused by negligent or willful misconduct of Tenant or Tenant's employees, customers, contractors, agents, or invitees. Landlord is not obligated to make any repair, except in the case of emergency, until it receives written notice from Tenant of the necessity for the repair. In making any repairs, Landlord shall use its reasonable efforts to perform the work in order to minimize the disruption to Tenant's business, but Landlord shall not be required to have its contractors work over-time or at a premium.

(c) Tenant Obligations

Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or

mechanics approved by Tenant and Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Tenant's Right to Repair.

If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Project structure and/or the Project systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five (5) business days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Project to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14. Notwithstanding anything to the contrary in this Lease, any third party vendor or contractor working at the Premises or Project for Tenant must be licensed and insured and prior to commencing any work at the Premises or the Project, such vendor or contractor must provide certificates of insurance showing that Landlord and Landlord's management company are named as additional insureds on Combined Single Limit Bodily Injury and Property Damage Insurance covering comprehensive general liability and automobile liability, in an amount not less than Three Million Dollars (\$3,000,000) per occurrence and for workers' compensation as required by law, endorsed to show a waiver of subrogation by the insurer to any claims Tenant's vendor or contractor may have against Landlord.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises which utilities have been separately metered by the Landlord and shall be paid for by the Tenant:

(a) Heating, Ventilation and Air Conditioning

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises

for normal office purposes to a standard comparable to other first-class similar projects in the area and not less than the standard set forth in Exhibit D attached hereto.

(b) Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Final Plans as defined in the Work Letter but in any event not less than seven watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels for the Premises necessary for Tenant to utilize such capacity in the Premises.

(c) Water

Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(d) Exterior Maintenance

Landlord shall provide exterior maintenance to the Common Areas, including without limitation trash removal, generally consistent with that in comparable projects in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E, item 7, attached hereto. Landlord is **not** to provide any janitorial services in the Premises. Tenant shall apply to the appropriate local utility companies to begin service on the Premises on or before the Commencement Date, and shall pay the cost of any required deposit, hook-up fee, metering charge, or other charge by the utility provider. Throughout the term of this Lease, Tenant shall pay, prior to delinquency, the cost of all utilities used on the Premises. Tenant shall arrange for the utility company to bill Tenant directly.

(e) Access

Landlord shall furnish to Tenant's employees and agents access to the Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Project and also subject to temporary closures due to casualty, damage, repairs and maintenance.

12. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. Tenant will provide Landlord with an emergency contact number so that it can contact Tenant 24 hours a day so it can obtain access in case of an emergency. If Landlord temporarily closes any portion of the Premises, Basic Rent shall be prorated based upon the percentage of the Premises rendered untenable and not used by Tenant for a period in excess of five (5) business days after written notice to Landlord and also provided that the abatement shall only apply if Tenant provides Landlord with written notice that the

Premises is rendered untenable and is not being used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. TENANT DEFAULT.

(a) Default

The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(iii) The abandonment of the Premises by Tenant when Tenant is in default in the payment of rent for a period in excess of fourteen (14) days. For these purposes, the absence of Tenant from or the failure by Tenant to conduct business on the Premises for a period in excess of fourteen (14) consecutive days shall constitute an abandonment.

(b) Termination

Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant as allowed under Civil Code Section 1951.2. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law. In the event Landlord elects to terminate this Lease, Landlord may recover the following from Tenant: (a) The worth at the time of award of any unpaid rent that had been earned at the time of termination of the Lease; (b) The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination of the Lease until the time of award exceeds the amount of rental loss that Tenant proves could have been reasonably avoided; (c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term of this Lease after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided; and (d) Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease. As used in Subparagraphs (a) and (b) of this Paragraph, the "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per year. As used in Subparagraph (c) of this Paragraph, the "worth at the time of award" is computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above and Tenant abandons the Premises in violation of the terms hereof before the natural expiration of the term of this Lease, Landlord may continue this Lease in effect by not terminating Tenant's right to possession of the Premises, in which event Landlord shall be entitled to enforce all its rights and remedies under this Lease, including the right to recover the rent specified in this Lease as it becomes due under this Lease. For as long as Landlord does not terminate this Lease, Tenant shall have the right to assign or sublease the Premises, subject to the requirements of this Lease. No act of Landlord (including an entry on the Premises, efforts to relet the Premises, or maintenance of the Premises) shall be construed as an election to terminate this Lease unless a written notice of termination is given to Tenant or the termination of this Lease is decreed by a court of competent jurisdiction. The rights hereunder include the rights set forth under Civil Code Section 1951.4. Tenant shall be liable for all of Landlord's costs in reletting, including remodeling costs required for the reletting. In the event Landlord relets the Premises, Tenant shall pay all rent due under and at the times specified in this Lease, less any amount or amounts actually received by Landlord from the reletting.

The remedies granted to Landlord shall not be exclusive but shall be cumulative and in addition to all remedies now or hereafter allowed by law or provided in this Lease.

The waiver by Landlord of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant either of the same or another provision of this Lease.

(c) No Effect on Indemnity

Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies

In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) and 19, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within fifteen (15) business days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such 15 day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, after at least an additional five (5) days written notice to Landlord advising Landlord that if the Default is not cured within such five (5) day period then Tenant will exercise any

one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten (10%) per annum from the installments of Basic Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Basic Rent next coming due; and/or (iv) to terminate this Lease.

(b) Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency

Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING

Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises, provided that Tenant first obtains the Landlord's prior consent, such consent not to be unreasonably withheld and provided, however, that no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease even if Landlord has given its written consent thereto.

16. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent

Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Project; (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building (5) does not increase the maintenance obligations of the Landlord, (6) does not exceed \$5,000.00 on a per contract basis, (7) all contractors working on the Alterations are properly licensed and insured with the Landlord and Landlord's management company being named as an additional insured on the policy, (8) Tenant provides Landlord with written notice at least thirty (30) days prior to the commencement of work on the Alteration so

that Landlord may confirm the insurance coverages and post notices of non-responsibility, and (9) the work does not require a permit. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term

Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term. However, if Landlord notifies Tenant that such Alteration must be removed upon termination at the time approval is granted for such Alteration, then Tenant shall be responsible for all costs and expenses incurred by Landlord to remove such Alteration. If Tenant has made any Alterations without the consent of the Landlord, then Tenant shall be responsible for all costs and expenses incurred by Landlord to remove such Alteration.

17. CONDEMNATION.

(a) Controlling Terms

If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking

If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking

If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall be on the Date of Taking. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated.

(d) Restoration

Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award

The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute.

Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

18. INDEMNIFICATION.

(a) Tenant's Indemnity

Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Project or Premises as a result of any negligent act, omission or willful misconduct of Tenant or its employees, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees.

(b) Landlord's Indemnity

Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Project or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third

parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19. INSURANCE.

(a) Landlord's and Tenant's Insurance

During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates); and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Landlord shall carry insurance on any furniture which is or will become the property of Tenant at the expiration of the Term and on all modular furniture installed in the Premises. Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

(ii) For the Common Areas (but not the Premises), Landlord shall carry general liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000. For the Premises, Tenant shall carry general liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(b) Insurance Requirements

All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry. All or any portion of the coverages Tenant is required to maintain under this Lease may be maintained under a program of self-insurance. It is understood that if Tenant elects to self insure as permitted above, Landlord shall have the same benefits and protections as if Tenant carried insurance with a third party insurance company satisfying the requirements of this Lease.

(c) Certificates

Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation

Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

20. PARKING.

(a) Tenant's Rights

Tenant shall have the right to the number of parking stalls set forth in Section 1, in locations mutually selected by the parties, without charge for the Term of this Lease. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Project.

(b) Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter, but the termination shall not apply if Landlord provides such Parking Spaces within thirty (30) days after written notice.

21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Project or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Project or the Common Areas.

(b) Indemnity

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Project or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant or Tenant's employees, contractors or agents. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Project or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

Tenant shall indemnify, protect, defend (by counsel acceptable to Landlord) and hold harmless Landlord from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Project or Common Areas or other violation of laws relating to Hazardous Materials caused by Tenant or Tenant's employees, contractors or agents. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Tenant shall promptly deliver to Landlord a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Project or the Premises. Tenant's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Tenant under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES

Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS

Prior to the Commencement Date, Landlord shall construct the Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

24. LIENS

Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance

Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Project; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental

Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust

The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith within 30 days after the execution of this Lease.

(c) Request for Notice

Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Project in the form of Document V in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(d) Notice of Default

If any mortgagee or beneficiary under a deed of trust affecting the Project gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten days within which to cure such default.

26. SURRENDER OF POSSESSION

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition, and in good condition, subject to reasonable wear and tear. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture), provided Tenant repairs all damage caused by such removal.

27. SIGNAGE

Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances, provided Tenant obtains the Landlord's prior written consent related to design, sign, materials, location and other specifications.

28. QUIET ENJOYMENT

So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings

Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns

All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation. Tenant shall receive from Landlord or Landlord's broker an amount equal to \$38,199.67 which is 50% of all commissions due to Landlord's broker as a result of the execution of this Lease.

(d) Entire Agreement

This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Project and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices

All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum

This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers

No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence

Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent

Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises

Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Document III in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(l) Memorandum of Lease

If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Document IV in the Supplemental Lease

Documents delivered to Landlord concurrently herewith, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30. AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants

Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration

It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may

negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Basic Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including, but not limited to certificate of participation financing.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual

damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

33. OPTION TO EXTEND.

(a) Terms of Option. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have one option to renew this Lease for an additional period of five years (the "Extension Term").

(b) Exercise of Option. Tenant must exercise its option to extend this Lease by giving Landlord written notice of its intent to do so by Chief Executive Office letter no later than 180 days prior to the end of the initial Term. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles or the Chief Executive Officer.

(c) Terms and Conditions of Extension Term. The Extension Term shall be on all the terms and conditions of this Lease, except that Basic Rent for the Extension Term shall be the rate in effect during the last year of the original Lease term increased

by three percent (3%), and upon each anniversary date of the commencement of the Extension Term the rent then in effect will increase by three percent (3%) for the remainder of the Extension Term.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

26330 Citrus Street, LLC, a California Limited Liability Company

By: *Allen Golden*
Name: Allen Golden
Its: Owner

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: *Wonne B. Burke*
Name: WONNE B. BURKE
Chair, Board of Supervisors

70673

ATTEST:

Sachi A. Hamai
Executive Officer-Clerk
of the Board of Supervisors

By: *Sachi A. Hamai*
Deputy



I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: *Sachi A. Hamai*
Deputy

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

By: *Amy M. Caves*
Deputy: Amy M. Caves

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

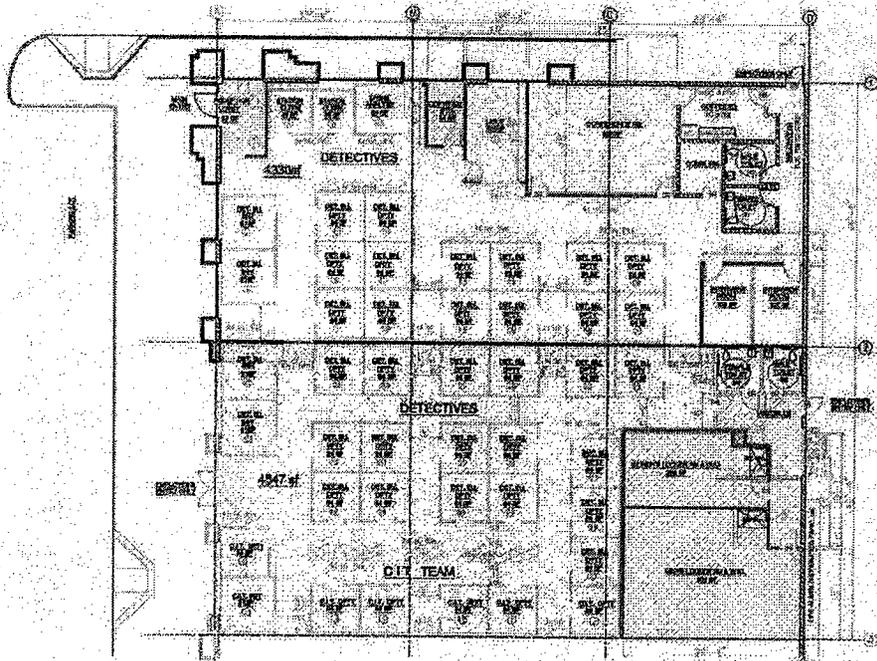
17

SEP 02 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBIT A

FLOOR PLAN OF PREMISES



FLOOR PLAN

STA. CLARITA STA. DETECTIVES/CIT TEAM RELOCATION
REVISED DATE: MARCH 27, 2008

COPIES
MADE
BY
A. TORRES
[Signature]
3/31/08

EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

A PARCEL OF LAND LOCATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, WITH A SITUS ADDRESS OF 26334 CITRUS ST, VALENCIA CA 91355-5323 CURRENTLY OWNED BY GOLDEN ALLEN/44523 NORTH 15TH ST WEST /TR HAVING A TAX ASSESSOR NUMBER OF 2861-009-041 AND BEING THE SAME PROPERTY MORE FULLY DESCRIBED AS P M 156-60-70 LAND DESC IN DOC 1969777, with the following legal description:

FROM :GOLDEN ENT.

FAX NO. :818-995-3607

Jun. 25 2008 12:09PM P1

UNIT #

7/9/03

EXHIBIT "A"

(Legal Description)

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

ALL OF LOT 2 OF CERTIFICATE OF COMPLIANCE NO. LLA 99-003 RECORDED MARCH 9, 1999 AS INSTRUMENT NO. 99-098743, TOGETHER WITH THAT PORTION OF THE PARCEL DESCRIBED IN THE CERTIFICATE OF COMPLIANCE CC 97-009 RECORDED JULY 16, 1997 AS INSTRUMENT NO. 97-106766, BOTH OF OFFICIAL RECORDS OF SAID COUNTY DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 1449, FILED IN BOOK 156 PAGES 69 AND 70 OF PARCEL MAPS, RECORDS OF SAID COUNTY, THENCE ALONG THE EASTERLY LINE OF SAID PARCEL 3, SOUTH 19° 34' 10" WEST 51.17 FEET, THENCE LEAVING SAID EASTERLY LINE THE FOLLOWING FIVE (5) COURSES:

1. NORTH 70° 25' 24" WEST 73.98 FEET
2. SOUTH 19° 34' 36" WEST 16.32 FEET
3. NORTH 70° 29' 24" WEST 28.68 FEET
4. SOUTH 19° 34' 36" WEST 36.29 FEET AND
5. NORTH 70° 25' 24" WEST 247.37 FEET

TO A POINT ON THE WESTERLY LINE OF SAID PARCEL 3, SAID POINT ALSO BEING ON THE EASTERLY LINE OF CITRUS STREET (FORMERLY CITY CENTER DRIVE), 66.00 FEET WIDE AS SHOWN ON SAID MAP, THENCE ALONG SAID EASTERLY LINE NORTH 19° 34' 36" EAST 222.89 FEET TO THE NORTHWEST CORNER OF LOT 2 OF SAID CERTIFICATE OF COMPLIANCE NO. LLA 99-003, THENCE ALONG THE NORTHERLY LINE OF SAID LOT 2, SOUTH 70° 22' 24" EAST 30.02 FEET TO THE EASTERLY LINE OF SAID PARCEL MAP NO. 1449, THENCE ALONG SAID EASTERLY LINE SOUTH 19° 34' 18" WEST 25.11 FEET AND SOUTH 70° 28' 33" EAST 45.00 FEET TO THE MOST EASTERLY CORNER OF PARCEL 3 AND POINT OF BEGINNING.

SAID LAND ALSO KNOWN AS PARCEL 1 OF THE CERTIFICATE OF COMPLIANCE NO. LLA-01-023 AS PER DOCUMENT RECORDED JULY 29, 2002 AS INSTRUMENT NO. 02-1762780 OF OFFICIAL RECORDS.

EXHIBIT "A"

341224/WLA
0201-718-1449

03 1969779

Description: Los Angeles, CA Document-Year: DocID: 2003-1969779 Page: 8 of 9
Order: 80300227 Complete

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 200_, between County of Los Angeles, a body politic and corporate ("Tenant"), and 26330 Citrus Street, LLC, a California Limited Liability Company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the Project located at 26340 Citrus Street, Valencia, CA ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Lease commenced on _____ ("Commencement Date");
- (4) The Premises contain 9,500 rentable square feet of space; and
- (5) Basic Rent per Month is \$28,500.

IN WITNESS WHEREOF, this Memorandum is executed this ___ day of _____, 200_.

"Tenant"

"Landlord"

COUNTY OF LOS ANGELES,
a body politic and corporate

26330 Citrus Street, LLC, a California Limited Liability Company

By: _____
Name: _____
Its: _____

By: Allen Golden
Name: Allen Golden
Its: Owner

EXHIBIT D

HVAC STANDARDS

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office Project; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of usable square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

EXHIBIT E

CLEANING AND MAINTENANCE SCHEDULE

Tenant agrees that Landlord is not required to perform the following and Tenant shall retain its own janitorial company to perform the following:

1. DAILY (Monday through Friday)
 - A. Carpets vacuumed.
 - B. Composition floors dust-mopped.
 - C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
 - D. Waste baskets, other trash receptacles emptied.
 - E. Chairs and waste baskets returned to proper position.
 - F. Fingerprints removed from glass doors and partitions.
 - G. Drinking fountains cleaned, sanitized and polished.
 - H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
 - I. Bulb and tube replacements, as required.
 - J. Graffiti expunged as needed within two working days after notice by Tenant.
 - K. Floors washed as needed.
 - L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.
 - M. Exclusive day porter service from ____ to ____ (if provided by contract).
2. WEEKLY
 - A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
 - B. Window sills, ledges and wood paneling and molding dusted.
3. MONTHLY
 - A. Floors washed and waxed in uncarpeted office area.
 - B. High-reach areas, door frames and tops of partitions dusted.
 - C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
 - D. Picture moldings and frames dusted.
 - E. Wall vents and ceiling vents vacuumed.
 - F. Carpet professionally spot cleaned as required to remove stains.
 - G. HVAC chiller water checked for bacteria, water conditioned as necessary.
4. QUARTERLY
 - A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
 - B. Wood furniture polished.

C. Draperies or mini-blinds cleaned as required, but not less frequently than Quarterly.

D. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

A. Windows washed as required inside and outside but not less frequently than twice annually.

B. All painted wall and door surfaces washed and stains removed.

C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

A. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.

B. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.

C. Touch-up paint all interior painted surfaces in a color and finish to match existing.

Landlord shall maintain the following in the Common Areas of the Project:

AS NEEDED

A. The sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the Project should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

LANDLORD'S WORK LETTER

For

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AND AGREEMENT**

DEPARTMENT: Sheriff, as Tenant

LANDLORD: 26330 Citrus Street, LLC

26340 Citrus Street, Valencia, 91355

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated _____, 20__, executed concurrently herewith, by and between 26330 Citrus Street, LLC ("Landlord") as Landlord, and COUNTY OF LOS ANGELES ("Tenant" or "County") as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. Basic Work Letter Information. The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

(a) <u>Base Tenant Improvement Allowance:</u>	\$95,000 (i.e., \$10 per rentable square foot of the Premises).
(b) <u>Additional Tenant Improvement Allowance:</u>	\$760,000 (i.e., \$80 per rentable square foot of the Premises).
(c) <u>Maximum Change Order Allowance:</u>	\$30,000
(d) <u>Additional Tenant Improvement and Change Order Amortization Rate:</u>	9% per annum.
(e) <u>Basic Rent Reduction per \$1,000:</u>	Not Applicable.
(f) <u>Tenant's Work Letter Representative:</u>	Nevin Harrison or an assigned staff person of the Chief Executive Office-Real Estate Division.
(g) <u>Landlord's Work Letter Representative:</u>	Al Golden or an assigned staff person of the Landlord.
(h) <u>Landlord's Address for Work Letter Notice:</u>	See Section 1(a) of the Lease.
(i) <u>Tenant's Address for Work Letter Notice:</u>	Board of Supervisors Kenneth Hahn Hall of Administration Room 383 500 West Temple Street Los Angeles, California 90012

	With a copy to: Chief Executive Office- Real Estate Division 222 South Hill Street, 3 rd Floor Los Angeles, California 90012 Attention: Director of Real Estate Fax Number: (213) 217-4971
(j) <u>Addenda:</u>	Addendum A: Base Building Improvements Addendum B: Tenant Improvements

2. **Construction of the Building.**

2.1 **Base Building Improvements.** Landlord has constructed or shall construct the base Building improvements as a part of the Building described on Addendum A hereto (the "Base Building Improvements"). To the extent that the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises as stated in the Final Plans and Addendum B hereto, such changes or additions shall be considered Tenant Improvements (as defined below) and shall be paid with the Base Tenant Improvement Allowance and Additional Tenant Improvement Allowance.

2.2 **Additional Costs Not Tenant Improvement Costs.**

(a) In the event that the Premises, in its current condition considering the existing retail use, does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes ("Applicable Requirements"), and Landlord incurs increased design or construction costs that it would not have incurred had the Building been in compliance with such codes, such costs shall not be included in the calculation of Tenant Improvement Costs as defined below and Tenant shall have no financial responsibility for such costs. Notwithstanding the foregoing, in the event that the Applicable Requirements require certain modifications to the Premises due to the nature of the Tenant Improvements or Tenant's proposed use (as opposed to the current retail use), then the costs for the design and construction for such modifications shall be part of the calculation of Tenant Improvement Costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA or make existing building systems, including, but not limited to, electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense and excluded from Tenant Improvement Cost, except Tenant Improvement Costs shall include (i) any costs incurred to comply with the access requirement of the ADA if the requirements are triggered by the nature of the Tenant Improvements or Tenant's proposed use (as opposed to the current retail use), and (ii) any costs to modify the building systems due to the nature of the Tenant Improvements or Tenant's proposed use (as opposed to the current retail use). Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes"; (ii) fire sprinkler system installation or upgrade, except Tenant Improvement Costs shall include any costs to install or upgrade any fire sprinkler system which are required as a result of the nature of the Tenant Improvements or Tenant's proposed use (as opposed to the current retail use); (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere; (iv) utility costs incurred during construction; (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease, except Tenant

Improvement Costs shall include costs incurred to adjust and modify the mechanical and electrical systems as stated in the Final Plans (including but not limited to the balancing of the HVAC system and installation of additional electrical outlets); or (vi) supervision or overhead costs of Landlord.

(c) Landlord shall be solely responsible for all costs and expenses necessary to increase permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses, however, in the event that any safes or vaults or the like are to be installed which require structural reinforcement of the flooring, then such costs shall be part the Tenant Improvement Costs.

3. **Selection of Architect and Engineer.** Landlord shall promptly solicit at least three proposals from qualified licensed architects ("Architect") and engineers ("Engineer") familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings as defined below. The Architect and the Engineer shall be selected by Landlord subject to Tenant's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three business days after Landlord has submitted the name of the Architect and the Engineer to Tenant together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect and the Engineer is/are finally approved by Tenant and written consent has been delivered to and received by Landlord.

4. **Selection of Contractor.** The Final Plans, as defined below, and a proposed construction contract approved by Tenant, shall be submitted to contractors, selected by Landlord and approved by Tenant, sufficient in number so that a minimum of three bids are received. Each approved contractor shall be requested to submit a fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements designated on the Final Plans. Landlord and Tenant shall jointly review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

5. **Preparation of Plans and Specifications and Construction Schedule.**

5.1 **Preparation of Space Plan.** Concurrently with the execution of this Lease, Tenant shall submit to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively the "Space Plan").

5.2 **Preparation and Approval of Working Drawings.** Within ten days of the date the Space Plan is submitted to Landlord (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of Working Drawings (the "Working Drawings"), which shall be compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. Landlord shall be solely responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

5.3 Preparation and Approval of Engineering Drawings. Landlord shall cause the Architect to coordinate all engineering drawings prepared by the Engineer, showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into the Working Drawings. The Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has approved the Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five sets of the Final Plans to Tenant. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements.

5.5 Approval of Plans by Tenant. Approval by Tenant or Landlord shall not be deemed to be a representation by Tenant as to the adequacy or correctness of the design of the Tenant Improvements.

5.6 Schedule. Within 30 days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld, setting forth the dates specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, Projected Commencement Date and other similar dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

6. Final Construction Budget and Payment of Tenant Construction Costs.

6.1 Construction Budget. Within three days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary budget (the "Preliminary Budget"). Such budget shall be revised into final form within ten days from the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have five days from the date of receipt of the Final Construction Budget to approve or disapprove the Final Construction Budget. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval or disapproval of the Final Construction Budget or the five day period expires without any response from Tenant. In the event Tenant disapproves the Final Construction Budget due to matters related to cost and the Final Construction Budget is ten percent (10%) or more higher in cost than was projected in the Preliminary Construction Budget, then any delay caused by the necessity to rebid or redesign the Tenant Improvements shall not be considered a Tenant Delay. Landlord shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at its sole cost and expense. No fee for profit, overhead or general conditions in connection with the construction of the Tenant Improvements to be paid to the Landlord shall be included in the Final Construction Budget unless approved by Tenant.

6.2 Additional Tenant Improvement Allowance. All improvements required by the Final Plans, as further described in Addendum B hereto (collectively, the "Tenant Improvements") shall be at Landlord's sole cost and expense, but subject to the reimbursement

of the Additional Tenant Improvement Allowance and Change Orders by Tenant. The installation of the telecommunications systems and the modular furniture shall not be part of the Tenant Improvements and shall be Tenant's responsibility, however, Tenant may elect that the costs for the purchase and/or installation of the telecommunications systems and the modular furniture may be financed by Landlord by such costs being part of the Additional Tenant Improvement Allowance. Costs of Tenant Improvements shall include, without limitation, construction costs for the Tenant Improvements, the purchase and installation of the modular furniture and telecommunications equipment, soft costs (but not relocation expenses) and any other costs designated in writing by Tenant not to exceed, in the aggregate, the sum of the Base Tenant Improvement Allowance, the Additional Tenant Improvement Allowance and costs of Change Orders, as defined below (collectively "Tenant Improvement Costs"). It is anticipated that the Tenant Improvement Costs will exceed the Base Tenant Improvement Allowance, and Tenant's Chief Executive Office may authorize Landlord to pay the overage in an amount not exceeding the Additional Tenant Improvement Allowance. The Additional Tenant Improvement Allowance shall be paid to Landlord as provided herein.

6.3 Method of Payment. That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs may, at Tenant's election be paid to Landlord (i) in a lump sum when the Tenant Improvements are Substantially Complete, or (ii) in equal amortized monthly payments over the term of the Lease (or shorter as determined by Tenant) at the Tenant Improvement Amortization Rate. Tenant may at any time during the Term prepay Landlord in a lump sum for all or any portion of the Tenant Improvement Costs, amortizing any remaining amount in monthly payments over the term of the Lease at the Tenant Improvement Amortization Rate.

7. Construction of Tenant Improvements.

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described Final Plans and on Addendum B hereto.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and materials providers providing labor and/or materials for the Tenant Improvements shall be selected only after at least three bids have been solicited from responsible and qualified persons. Landlord shall submit at least three sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. At least three bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

(a) Permits. Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after approval of the Final Plans.

(b) Commencement of Construction. Landlord shall cause the Contractor to commence construction of the Tenant Improvements within 15 days after issuance of all such necessary permits. Landlord shall commence and, once commenced, shall thereafter reasonably proceed to construct and complete all Tenant Improvements, subject to any cessation that may be caused by Force Majeure Delays.

7.3 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant.

(b) Decorating Decisions. All design and programming, space planning and interior decorating services, such as selection of wall paint colors and/or wall coverings, furniture, fixtures, carpeting and any or all other decorator selection efforts required by Tenant, shall be provided by Landlord at Landlord's expense in accordance with Tenant's Space Plan. Landlord shall consult with Tenant with respect to all such decorating services and decisions.

(c) Clean-Up and Substandard Work. Landlord will be responsible for all clean-up with respect to the Tenant Improvements, whether in the Premises themselves or in other areas utilized by Landlord or its contractors, and agrees to reimburse Tenant for any and all expenses incurred by Tenant by reason of substandard work performed by Landlord's contractor or contractors (as reasonably determined by Tenant according to the usual standards of work in the Building) or as a result of inadequate clean-up, provided that Tenant must provide written notice to Landlord of any substandard work or inadequate clean-up and Landlord must only reimburse Tenant such costs in the event Landlord fails to repair the substandard work or clean up the Premises within thirty (30) days of written notice.

(d) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale as approved by the Board of Supervisors which are applicable to the work are filed with the Clerk of the Board of Supervisors and must be posted at the site.

7.4 Conformed Plans. Within 60 days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted on three and one-half inch (3½") 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications. The cost of preparing and providing such plans shall be part of the Tenant Improvement Costs.

8. Change Orders. Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans ("Change Order") provided both Tenant and Landlord approve such changes in writing. The amount of the Maximum Change Order Allowance set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of all authorized Change Orders but only the Chief Executive Officer is authorized to approve Change Orders on behalf of Tenant and then only if the aggregate amount of such approved Change Orders does not exceed the Maximum Change Order Allowance. Tenant may elect to pay for Change Orders by: (a) payment in a lump sum upon Substantial Completion of the Tenant Improvements, or (b) amortization of such costs over the initial Term of the Lease at the Change Order Amortization Rate payable in equal monthly installments over the initial Term of the Lease. Landlord shall submit to the Chief Executive Officer with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Orders previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Order must be signed and dated by the Chief Executive Officer.

9. **Furniture System.**

9.1 Tenant shall deliver to Landlord within ten days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's Architect, shall prepare a modular furniture specifications bid package for submission to no less than three furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant and Tenant shall have the right to approve or disapprove the bid package. Tenant may elect to have Landlord finance the cost the modular furniture and the telecommunications systems but Landlord shall not be responsible for the cost of such modular furniture or telecommunications systems in excess of the Additional Tenant Improvement Allowance. Landlord shall coordinate and work with Tenant and the vendors selected by Tenant to install such modular furniture systems and telecommunications systems, but Landlord shall not be responsible for installation of such modular furniture or telecommunications systems.

9.2 Tenant may opt to finance the lump-sum payment for the cost of modular furniture through lease-purchase financing with a third-party vendor ("Creditor"). In the event the Tenant elects to enter into a lease-purchase financing of the furniture and telecommunications equipment (the "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage occasioned by such removal shall be repaired by Creditor.

(b) Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

(c) This section shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord does hereby waive any right to gain possession of any of Personal Property during the term of this Lease.

10. **Tenant Improvement Costs Adjustment and Right to Audit.** Within five days of the issuance of a Certificate of Occupancy, or a final sign-off by the City of Los Angeles, which ever occurs first, Landlord shall provide to Tenant a statement showing in reasonable detail all Tenant Improvement Costs and the total amount payable hereunder by Tenant to Landlord. Upon approval of the statement by Tenant, payments by either party pursuant to the Lease and this Landlord's Work Letter shall be adjusted as appropriate, based upon such statement. Tenant shall have the right to audit these costs for a period of 24 months from the date of acceptance by Tenant of the Premises. In the event the audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter, Tenant shall provide Landlord with a copy of the audit summary and Landlord, within 30 days, shall refund to Tenant the amount of any overpayment made by Tenant and all future payments shall be adjusted as appropriate based upon the audit results, except in the event that Landlord disputes the audit summary, in which case the payment shall not be adjusted until there is a final determination of the dispute.

11. **Exclusions.** The Tenant Improvement Costs shall not include any costs incurred for asbestos abatement. All work for required asbestos abatement shall be performed at the sole cost and expense of Landlord.

12. **Telephone/Computer Room and Equipment.** Landlord shall complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Final Plan and specifications, at least 30 days prior to the Projected Commencement Date. During this 30 day period, the Tenant shall be solely responsible for any telephone/data equipment delivered to the site for programming prior to the Projected Commencement Date.

13. **Delay.**

13.1. **Tenant Delays and Force Majeure Delays.** Except as set forth herein, no delay in the completion of construction of the Tenant Improvements shall be considered in the determination of the Commencement Date of the Lease and, except as set forth herein or in the Lease, under no circumstance shall Tenant be charged with any delay whatsoever as a result of delay in the construction of Tenant Improvements, except for, the Landlord may elect to deem the Commencement Date to be the date the Landlord would have Substantially Completed the Tenant Improvements if Tenant Delay had not occurred. Tenant Delay shall be one (1) day for each day there is Tenant Delay. A day of Tenant Delay is any day that: (i) Tenant fails or refuses to give authorizations or approvals within the time periods required herein, or (ii) is indicated as a day of Tenant Delay in any Change Order approved by Tenant. Force Majeure Delay(s) shall be any delay in the Substantial Completion of the Tenant Improvements because of lightning, earthquake, fire, storm, tornado, flood, washout, explosion, strike, lockout, labor disturbance, civil disturbance, riot, war, act of a public enemy, sabotage or other similar causes beyond the reasonable control of Landlord (referred to herein as "Force Majeure Delay(s)").

13.2. **Limitations.**

(a) **Notice.** No Tenant Delay or Force Majeure Delay shall be deemed to have occurred unless Landlord has provided written notice, within two (2) business days of the event giving rise to such claim, in compliance with the Lease, to Tenant specifying that a delay is claimed to have occurred because of actions, inaction or circumstances specified in the notice in reasonable detail. If such actions, inaction or circumstances qualify as a Tenant Delay or Force Majeure Delay, then a Tenant Delay or Force Majeure Delay, as applicable, shall be deemed to have occurred only commencing as of the date Tenant received such notice from Landlord.

(b) **Mitigation.** Tenant Delays and Force Majeure Delays shall delay the Projected Commencement Date only in the event that Substantial Completion of the Tenant Improvements is delayed, despite Landlord's reasonable efforts to adapt and compensate for such delays, which efforts Landlord shall be obligated to make (provided such additional cost incurred by Landlord due to such effort does not exceed \$1,000 on a cumulative basis, unless Tenant agrees to pay to such excess).

(c) **Concurrent Delays.** Tenant Delays and Force Majeure Delays shall be recognized hereunder only to the extent the same are not concurrent with any other Tenant Delay or Force Majeure Delay which is effective hereunder. For example, if there are ten days of Tenant Delays and four days of Force Majeure Delays which occur during the same ten day period of such Tenant Delays, then the Projected Commencement Date would be extended by only ten days; on the other hand, if such Tenant Delays and Force Majeure Delays did not occur during the same period, the Projected Commencement Date would be extended by 14 days.

(d) Change Orders. Landlord may not claim that a Change Order requested by Tenant was the cause of a delay in the construction of the Tenant Improvements unless the anticipated delay is specified in writing in the Change Order authorization.

14. Default. Any default by Landlord under the terms of this Landlord's Work Letter shall constitute a default under the Lease and shall entitle Tenant to exercise all remedies set forth in the Lease.

15. Tenant Remedies. If Landlord fails to obtain the building permit to construct the Tenant Improvements within a reasonable time, taking all factors into consideration, or if Tenant Improvements have not been completed within 60 days after the Projected Commencement Date plus any Force Majeure Delays, Tenant may, at its option:

15.1. Cancel the Lease upon 30 days written notice to Landlord, provided that the Lease shall not cancel if Landlord is able to Substantially Complete the Tenant Improvements within 30 days of such written notice to cancel; or

15.2. Upon 30 days written notice to Landlord, assume the responsibility for providing the Tenant Improvements itself, provided that Tenant may not exercise this right if Landlord is pursuing with reasonable diligence the completion of the Tenant Improvements. If Tenant elects to provide Tenant Improvements itself, then:

(a). Tenant, its officers, employees, agents, contractors and assignees, shall have free access to the Premises and the Building at all reasonable times for the purpose of constructing the Tenant Improvements and for any other purposes reasonably related thereto; and

(b). Rent shall be reduced by Tenant's total expense in constructing the Tenant Improvements, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of six percent (6%) (collectively, "Tenant's Total Expense"). The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's Total Expense shall be fully amortized in equal monthly amounts over five years and deducted from the rent payable hereunder and under the Lease.

16. Representatives.

16.1 Tenant Representative. Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.

16.2 Landlord Representative. Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.

17. Construction Meetings. During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, if needed, unless Tenant

directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five days of the date the Contractor is selected.

18. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

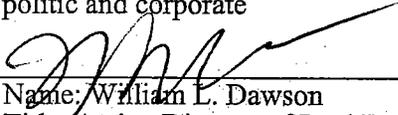
LANDLORD:

26330 Citrus Street, LLC

By: 
Name: Allen Golden
Title: Owner
Date Signed: 07/15/2008

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: 
Name: William L. Dawson
Title: Acting Director of Real Estate
Date Signed: 09/14/2008

ADDENDUM A To Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

Landlord has constructed the Premises to include the following for the current retail use:

- (a) The Building shell and exterior, including perimeter window frames, mullions and glazing in good condition;
- (b) The core area, including mechanical, electrical, sprinkler, plumbing, life safety, heating, air conditioning, ventilation and structural systems within the Premises;
- (c) Men's and women's toilet rooms, including necessary plumbing fixtures, floors, accessories, ceilings and lighting, with running hot and cold water, but any modifications to the existing toilet rooms shall be part of the Tenant Improvement Costs;
- (d) Dry wall or lath and plaster covering the exposed side of all exposed walls in the Premises;
- (e) Not applicable
- (f) Not applicable
- (g) Parking facilities;
- (h) Not applicable
- (i) Not applicable.
- (j) Exterior plazas and landscaping;
- (k) Loading dock and/or area;
- (l) Not applicable
- (m) Electrical/telephone closet with not less than seven watts per square foot of rentable area of normal power in the floor electrical closet;
- (n) Access sufficient for Tenant's electrical wiring;
- (o) Two 208/120 and one 480/277 volt panels connected to the Building power system;
- (p) Mechanical equipment room with ducted mechanical exhaust system;
- (q) Concrete floors with trowelled finish, level to specified tolerances and designed to support a minimum live load of 50 pounds per square foot and a partition load of 20 pounds per square foot;
- (r) Not applicable
- (s) Primary HVAC duct for cooling and primary HVAC duct for heating for current retail use and any modifications for the change in use pursuant to the Final Plans shall be part of Tenant Improvement Costs;
- (t) Hot and cold air loops located within the Premises;

(u) Primary fire sprinkler distribution if required for the current retail use, but if not required for current retail use, then any modifications for the change in use pursuant to the Final Plans shall be part of Tenant Improvement Costs;

(v) Primary fire-life safety enunciation system "backbone" and panels suitable for Tenant's secondary distribution, if required for the current retail use, but if not required for current retail use, then any modifications for the change in use pursuant to the Final Plans shall be part of Tenant Improvement Costs; and

(w) Access at panels for electrical power (initially 120/208 V for power and 277V for fluorescent lighting)

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

Tenant improvements shall include the items to construct the improvements contained in the Final Plans approved by Landlord and Tenant, including:

- (a) Tenant ceilings and lighting;
- (b) Floor finish in the Premises;
- (c) Interior finishes of any kind within the Premises;
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) The installation of Tenant's furniture, fixtures and equipment, including telephones, computers and cabling may be part of the Tenant Improvements, but Landlord has agreed to finance a the costs of certain furniture and telecommunications systems up to the Additional Tenant Improvement Allowance;
- (g) Distribution of electrical services, plumbing services and sprinklers in the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the power therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (j) Additional and/or above standard electrical capacity; and
- (k) Fiber optic access, but the installation of fiber optic and telecommunications systems shall not be part of the Tenant Improvements and shall be installed by Tenant.